

## Message Text

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72 (63)  
ORIGIN EB-07

INFO OCT-01 ISO-00 EUR-12 IO-10 AID-05 CEA-01 CIAE-00

COME-00 EA-10 FRB-01 INR-07 NEA-10 NSAE-00 OPIC-06

SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00

ERDA-07 STR-04 AGR-10 INRE-00 SSO-00 /101 R

66612

DRAFTED BY: EB/TA:TO'HERRON:MAM  
APPROVED BY: EB/TA:WGBARRACLOUGH  
STR: RDROITSCH  
COMMERCE: BMILLER  
TREASURY: EGREEN  
AGRICULTURE: JHALQUIST  
TREASURY: JJOHNSON  
EUR/RPE:JMCCARTHY

----- 024045

O R 022304Z MAY 75  
FM SECSTATE WASHDC  
TO USMISSION OECD PARIS NIACT IMMEDIATE  
INFO USDEL MTN GENEVA

UNCLAS STATE 128170

C O R R E C T E D C O P Y (TEXT LINES 3, 25, AND 26 IN ERROR)  
E.O. 11652: N/A  
TAGS: ETRD, OECD  
SUBJECT: GUIDANCE FOR JUNE 3-4 TCWP MEETING ON EXPORT  
CONTROLS

REFS:(A)OECD PARIS 02314 (B) OECD PARIS 13306  
FOR GEWECKE

1. WASHINGTON AGENCIES NOT SENDING SPECIAL DELEGATES TO  
TCWP MEETING ON EXPORT CONTROLS. MISSION SHOULD HANDLE  
U.S. PARTICIPATION AT LEVEL IT DEEMS APPROPRIATE.
2. DEPARTMENT HAS FORWARDED TO MISSION TEXT OF U.S. EXPORT  
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ADMINISTRATION ACT, WITH RELATED EXPLANATORY MATERIAL;  
USDA MEMORANDA GIVING BACKGROUND DATA ON U.S. EXPORT  
CONTROLS ON OILSEEDS AND OILSEEDS PRODUCTS, AND ON HIDES  
AND SKINS; AND USDOC MEMO OF MAY 1 CONTAINING ADDITIONAL

INFO ON EXPORT CONTROLS IN INDUSTRY. MISSION MAY PASS THESE DOCUMENTS ON TO SECRETARIAT. USDOC MEMO OF 5/19, WHICH ALSO SENT TO MISSION, WAS NOT BASED ON LATEST DRAFT OF SECRETARIAT PAPER AND IS FOR BACKGROUND OF MISSION ONLY.

3. MISSION SHOULD INFORM SECRETARIAT THAT ENTRY ON U.S. IN INVENTORY OF EXPORT RESTRICTIONS AS SHOWN IN TC (74) 12 IS CORRECT AND CURRENT EXCEPT (A) IT DOES NOT REFLECT LIFTING OF EXPORT CONTROLS ON FERROUS SCRAP, EFFECTIVE DEC. 31, 1974, AND CARRIED IN OECD DOCUMENT TC(75) 1/07, AND (B) IT OMITTS CONTROLS ON PETROLEUM AND PETROLEUM PRODUCTS, IN ACCORDANCE WITH EARLIER DECISION OF WP.

4. WITH REGARD TO SECRETARIAT PAPER (TFD/TD/855):

A) DEPT SUBSCRIBES TO ANALYSIS PER REF (B) AND AUTHORIZES MISSION TO MAKE POINTS SET FORTH THEREIN.

B) MISSION SHOULD SEEK AGREEMENT FOR REVISION OF PARA 45 TO STRESS OPPORTUNITY TO EXPLORE NEGOTIATIONS ON EXPORT CONTROLS IN MTN. SPECIFICALLY, PARA 45 SHOULD BE REWRITTEN ALONG FOLLOWING LINES: "IN CONTEXT OF MTN, IT MAY BE DESIRABLE TO GIVE CONSIDERATION TO THE POSSIBLE OPTION OF WORKING OUT A MULTILATERAL AGREEMENT COVERING THE PROBLEMS OF EXPORT CONTROLS..."

C) IN SUPPORTING EXPANDED TREATMENT OF SECTORAL APPROACH TO CONSIDERATION OF EXPORT CONTROLS, AND WITH REGARD TO PARA 4 OF DRAFT, MISSION SHOULD NOTE THAT FREQUENT MOTIVATION FOR EXPORT CONTROLS IS ASSURANCE OF CHEAP RAW MATERIALS FOR DOMESTIC PROCESSING INDUSTRY, RATIONALE SIMILAR TO THAT BEHIND USE OF IMPORT RESTRICTIONS TO PROTECT "INFANT INDUSTRIES;" SUCH MEASURES, IF THEY ARE TO BE PERMITTED, SHOULD BE TEMPORARY IN PRACTICE AS WELL AS IN THEORY ON BOTH EXPORT AND IMPORT SIDES.

D) SECRETARIAT PAPER CORRECTLY SIGNALS DIFFICULTIES OF ATTEMPTS TO REGULATE PRODUCTION POLICIES (PARA 23). HOWEVER, MISSION MAY NOTE THAT PRODUCTION CONTROLS CAN UNCLASSIFIED

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UNDERMINE BINDINGS LIMITING EXPORT CONTROLS; THEREFORE IT UNLIKELY THAT ANY SERIOUS DISCUSSION OF VALUE OF GUARANTEES AGAINST EXPORT RESTRICTIONS CAN DISREGARD ISSUE OF PRODUCTION CONTROLS.

E) WHILE SUPPORTING EFFORTS TO CORRECT PRO-CODE IMBALANCE IN PRESENT DRAFT, MISSION MAY SUGGEST POSSIBLE USEFULNESS OF CODE IN SOFTENING ANY EXPORT CONTROLS WHICH STILL MAY BE PUT INTO EFFECT IN SITUATIONS OF DOMESTIC SHORTAGE. FOR EXAMPLE, A CODE TYING EXPORT CONTROLS TO PERCENTAGE OF SHORTFALL OF SUPPLY, OR REQUIRING CONTROLS TO BE BASED ON HISTORIC SHARES, WOULD DISCOURAGE PANIC FORWARD BUYING WHICH AGGRAVATES SHORT SUPPLY PROBLEM,

RESULTING IN HARSHER EXPORT CONTROLS THAN WOULD OTHERWISE  
BE IMPOSED. RECENT EXPERIENCE SHOWS THESE PROBLEMS  
LARGELY CONFINED TO DC'S, PRINCIPALLY OECD MEMBERS, SO  
EXPANSION THIS POINT IS APPROPRIATE FOR AN OECD STUDY.

5. MISSION SHOULD PROPOSE MODIFICATION OF PARA 14 TO  
INCLUDE NOTION THAT WHERE COOPERATION IS TAKING PLACE,  
IMPORTERS WOULD REFRAIN FROM RETALIATION (SUCH AS WITH-  
DRAWAL OF CONCESSIONS OR EXPORT CONTROLS OF THEIR OWN.)

6. IF CONSENSUS OF TCWP MEETING IS THAT GUIDANCE FOR  
REVISIONS OF SECRETARIAT DRAFT BE GIVEN TO SECRETARIAT  
GENERALLY ALONG LINES SET FORTH ABOVE, WE HOPE NEW DRAFT  
WILL BE READY FOR DISCUSSION AT NEXT TC MEETING. INGERSOLL

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEES, EXPORT CONTROLS, MEETING PROCEEDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE128170  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EB/TA:TO'HERRON:MAM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Film Number:** D750192-0818  
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**Line Count:** 125  
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**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 JUL 2003 by maginmm>; APPROVED <13 FEB 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** ETRD, OECD  
**To:** OECD PARIS NIACT INFO MTN GENEVA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006